VILLAGE EAST METROPOLITAN DISTRICT NOS. 1, 2, 4 AND 5

WATER RULES AND REGULATIONS

Adopted and Administered by the Village East Metropolitan District No. 5

Approved to be effective February 1, 2023.

ARTICLE I
GENERAL

1.1 Authority

The Village East Metropolitan Districts Nos. 1, 2, 4 and 5 (collectively, the "Districts"), are quasi-municipal corporations and political subdivisions of the State of Colorado within the Town of Windsor, Colorado (the "Town") with those powers of a special district which are specifically granted for carrying out the objectives and purposes of the Districts pursuant to an Amended and Restated Service Plan approved by the Town October 10, 2022. With regard to District No. 3, all current structures will be maintained for current end users within Village East District No. 3 pursuant to its original Service Plan approved on August 25, 2008 by Ordinance No. 2008-1334 by the Town. District No. 3 may contract with District No. 5 for coordinated operations, only if District No. 3 adopts, approves and consents to these rules and regulations.

Village East II Investments, LLC, Village East Holdings, LLC and Village East Commercial Holdings, LLC (collectively "Owner") are the owners and/or developers of Village East Filings 8 through 13 (collectively "Property"), respectively, located in the boundaries of Districts as amended from time to time, within the Town of Windsor, Colorado. Village East Metropolitan District No. 5 ("MD5") is responsible for administering these Rules and Regulations on behalf of the Districts.

1.2 Purpose

The purpose of this consolidated body of Water Rules and Regulations is to ensure an orderly and uniform administration of irrigation water operations in the Property. These Water Rules and Regulations apply ***only*** to the Non-Potable Water System (as defined herein), not to the potable water system, as that system will be managed and controlled by the Town of Windsor ("Town") or another public entity providing potable water service to Property.

1.3 Policy

The authority of the Districts to adopt by-laws, rates, rules and regulations is expressly conferred by Colorado statute. The Executive Board of Directors of MD5 hereby declares that the policies, procedures, rules and regulations ("Rules and Regulations") hereinafter set forth will serve a public use and are necessary to promote the health, safety, prosperity, security, and general welfare of the inhabitants of the Districts.

1.4 Scope

These Rules and Regulations shall be treated and considered as comprehensive regulations governing the operations and functions of the Districts with regard to the Non-Potable Water System.

1.5 Intent of Rules and Regulations

It is intended that these Rules and Regulations shall be liberally construed to affect the general purposes set forth herein, and that each and every part thereof is separate and distinct from all other parts. No omission or additional material set forth in these Rules and Regulations shall be construed as an alteration, waiver or deviation from any grant of power, duty or responsibility, or

limitation or restriction, imposed or conferred upon the Districts by virtue of statutes now existing or subsequently amended, or under any contract or agreement existing between the Districts and any other governmental entity. Nothing contained herein shall be so construed as to prejudice or affect the right of the Districts to secure the full benefit and protection of any law which is now enacted or may subsequently be enacted by the Colorado General Assembly pertaining to the affairs of the Districts. Any ambiguity, conflict, omission or question of interpretation of these Rules and Regulations shall be determined in the sole discretion of MD5's Board of Directors.

1.6 Amendment

It is specifically acknowledged that Owner initially, and then MD5, once the Non-Potable Water System has been constructed and transferred for ownership, operation and maintenance, shall have the power to amend these Rules and Regulations, and such amendments must be approved in writing. Except where an amendment expressly requires the consent of the Town and the Owner, these Rules and Regulations may be altered, amended or added to from time to time and such alterations, additions or amendments shall be binding and of full force and effect as of the date of their adoption by Owner or MD5 following construction and transfer of the system. These Rules and Regulations are subject to, and may not conflict with, the Subdivision Improvements Agreements for the Property as recorded in the office of the Clerk and Recorder of Weld County, Colorado.

1.7 Miscellaneous.

1.7.1 Usage and Titles. All words and phrases shall be construed and understood according to the common and approved usage of the language, but technical words and phrases and such others as may have acquired a particular and appropriate meaning in the law shall be construed and understood according to such particular and appropriate meaning. The title of any heading in these Rules and Regulations shall not be deemed in any way to restrict, qualify, or limit the effect of the provisions set forth in the section or subsection set forth under each heading.

1.7.2 Severability. Should any section, subsection, sentence, clause or phrase of these Rules and Regulations be judicially determined invalid or unenforceable, such judgment shall not effect, impair, or invalidate the remaining provisions of these Rules and Regulations, the intention being that the various sections and provisions hereof are severable.

1.7.3 Interpretation. Any dispute over interpretation of the Water Rules and Regulations, or concerning their application in any particular case, shall be submitted to the MD5 Board of Directors, and its decision shall be final and conclusive.

1.7.4 Limitation. The Rules and Regulations are implemented by the Districts in furtherance of certain rights and powers conferred by statute. The Rules and Regulations are not to be construed as a limitation upon any general or specific powers of the Districts, or as an expression by the Districts of only certain limited powers which they intend to use.

1.7.5 Prior Offenses. Nothing in these Rules and Regulations shall affect any offense or act committed or done, or any obligation, penalty or forfeiture incurred by any person or under any contract or right established or occurring before the effective date of these Rules and Regulations.

1.7.6 No Damages for Failure to Enforce. Nothing herein contained shall create any right to damages against the Districts, their directors, officers, agents or employees for the Districts' failure to enforce any or all of these Rules and Regulations.

1.7.7 Availability of Service. Non-potable water service shall be available only in accordance with these Rules and Regulations and on the basis of the charges established therefore and subject to all penalties and charges for violation thereof, or any applicable statutes, and subject to the availability of facilities and capacity.

1.7.8 Control and Operation of Facilities. All water facilities and property of the Districts shall be under the management of MD5 and/or the Manager. Except as set forth in the Declaration of Covenants, Conditions and Restrictions for Village East 9th Filing, Village East 8th Filing , Village East Seventh Filing and Village East Subdivisions (collectively referred to as the "Declaration"), no other person shall have any right to enter upon, inspect, operate, adjust, change, alter, move, or relocate any portion of the Districts' facilities without the Districts' prior written consent.

1.7.9 Inspections. All inspections, observations, testing and reviews performed by MD5 whether of private premises to ensure compliance with these Rules and Regulations, or of MD5's property and facilities, are performed for the sole and exclusive benefit of the Districts. No liability shall attach to MD5 by reason of any such inspections, observations, testing or reviews, or by reason of any denial or issuance of any approval or permit for any work subject to the authority or jurisdiction of the Districts.

1.7.10 Ownership of Facilities. MD5 exercises all rights and responsibilities attendant to the water facilities currently owned by the Owner, which will be dedicated upon completion by Owner and certification by the District Engineer or which will be dedicated to MD5 upon completion for ownership, operations and ongoing maintenance by MD5 in accordance with those certain improvement acquisition agreements of the Districts.

1.7.11 Ownership of Water Rights. Ownership or the right to use water rights necessary for provision of Non-Potable Water service by the Districts shall be acquired by the MD5, in order to provide Non-Potable Water service to lands currently located within the Districts. Future expansion of the Districts' area through annexations may require additional interests in water rights to be dedicated to the Districts, by or on behalf of property owners requesting irrigation services. Such water rights shall be in accordance with service requirements of the Districts working in conjunction with the Town and shall be sufficient to provide the Districts with adequate supply of irrigation water for the development contemplated, for the areas proposed to be served, and for all service obligations undertaken by the Districts.

1.7.11 No Use of Potable Water For Irrigation. Each lot is served by a non-potable (not safe for human consumption) irrigation system. The District will supply non-potable water for outdoor irrigation. The Town of Windsor ("Town") or its designee will provide potable (safe for human consumption) water for indoor use. The indoor and outdoor water will be delivered through separate delivery systems.

1.7.12 Limitations on Water Usage Per Year. Each home is estimated to be provided a certain amount of water by the Town or District as appropriate. Excessive usage or watering violations and, potentially, a significant surcharge will be applied to all excessive water use or potential

overages may be charged by the District or Town (entity providing service) should there be significant overuse by an end user.

1.7.13. Irrigation systems. All lawns shall have an automatic irrigation system approved by the Architectural Control Committee for the District and shall be submitted in conjunction with the landscape plan. No underground manual irrigation system will be approved. All irrigation must be professionally designed and installed. Overspray from irrigation systems shall not encroach onto other properties.

1.7.14 Water Delivery. The non-potable water will be delivered directly to your irrigation system and the District will manage and bill you for the non-potable water. The Village East MD5 may also enforce water restrictions separate from the potable water service provider if necessary. You may NOT use potable water through a hose or sprinkler for outdoor irrigation. If this occurs, the potable water provider may impose additional surcharges and/or fines and may require additional water to be dedicated by the Property Owner.

ARTICLE II
DEFINITIONS

Unless the context specifically indicates otherwise, the meaning of the terms used herein shall be as follows:

2.1 "**Equivalent Dwelling Unit**" or "**Single Family Equivalent Dwelling Uni**t" means a use which is estimated to have an impact upon the Non-Potable Water System equal to that of the average usage of a Dwelling Unit.

2.2 "**Districts**" means Village East Metropolitan Districts Nos. 1, 2, 4 and 5. Districts may include District No. 3 if it contracts with MD5 for provision of services.

2.3 "**Gender**" the use of any gender shall be applicable to all genders.

2.4 "**Irrigation Water System**" or "**Non-Potable Water System**" means any water main line, appurtenances, accessories or portion thereof owned, leased, or maintained by or for the Districts in connection with the Property's management, administration, control and/or provision of Non-potable Water service or irrigation water within the Property's boundaries.

2.5 "**Manager**" of the Districts means the person or entity retained by the MD5 Board of Directors to administer and supervise the affairs of the Districts and their employees.

2.6 **"MD5"** means Village East Metropolitan District No. 5, which shall be responsible for the installation, operation and maintenance of the Non-Potable Water System and for the administration of the Rules and Regulations throughout Village East Metropolitan District Nos. 1-5 and their service areas (as applicable).

2.7 "**Non-Potable Water**" is all non-potable water administered, managed, controlled or provided by the Districts for the Non-Potable Water System.

2.8 "**Permit**" means the written permission to connect to or enlarge the use for the Irrigation Water System of the Districts pursuant to the Rules and Regulations of the Districts.

2.9 "**Person**" means any entity of any nature, whether public or private.

2.10 "**Rules and Regulations**" means these Water Rules and Regulations of the Districts, including all amendments and policies as set forth in the Districts minutes and resolutions.

2.11 "**Service Line**" means any privately owned and maintained pipe, line or conduit used or to be used to provide irrigation water service from water main, whether the pipe, line or conduit is connected or not.

2.12 **"Shall"** or **"May"** whenever "shall" is used herein, it shall be construed as a mandatory direction. Whenever "may" is used herein, it shall be construed as a permissible, but not mandatory direction.

2.13 **"Singular and Plural"** as pertains to these Rules and Regulations, the singular includes the plural, and the plural includes the singular wherever applicable.

2.14 "**Water Main"** and/or **"Main Line**" means any pipe, piping, or system of piping used as a conduit for water in the Irrigation Water System and owned, operated, maintained, leased or controlled by the Districts.

Any other term not herein defined shall be defined as presented in the "Glossary - Water and Sewage Control Engineering", A.P.H.A., A.W.W.A., A.S.C.E. and F.W.S.A., latest editions or as contained in the Declaration.

ARTICLE III
OWNERSHIP AND OPERATION OF FACILITIES

3.1 Responsibilities of MD5

Except as otherwise provided by these Rules and Regulations, MD5 is responsible for the administration of the Rules and Regulations, which shall be carried out in a sound and economical manner, in accordance with these Rules and Regulations and the Declaration MD5 shall not be liable or responsible for inadequate service or interruption of service brought about by circumstances beyond its control.

3.2 Limitation of Liability of Districts

By agreeing to receive Non-Potable Water from the Non-Potable Water System, lot owners expressly stipulate that no claim for damage shall be made against the Districts by reason of the following: breakage of any water main line by MD5's personnel; interruption of water service and the conditions resulting therefrom; breaking of any main line, service line, valve, pipe, or meter; failure of the water supply; shutting off or turning on water; making of connections or extensions; damage caused by water running or escaping from open or defective faucets; burst service lines or other facilities not owned by the Districts; damage to sprinkler systems or other appliances or apparatuses, devices or equipment used for irrigation of property, resulting from shutting off or turning on of water, or from inadequate, excessive or sporadic pressures.

3.3 Rights and Authority

MD5 shall have no responsibility for notification to customers of any of the foregoing conditions. All irrigation water users within the Districts shall be obligated to connect to the Districts Irrigation Water System unless otherwise agreed to in writing by the Districts. MD5 reserves the right to discontinue service to any property, at any time, for any reason deemed necessary or appropriate.

MD5 shall have the right to revoke service to any property for violations of these Rules and Regulations in accordance with the procedures set forth in these Rules and Regulations.

MD5 reserves the right to terminate service to any user of the Irrigation Water System. Unless otherwise provided herein, MD5 shall give written notice to such user of the MD5's intention to terminate service. Under no circumstance shall any user be entitled to or obtain, claim or assert any perpetual right to irrigation water service from MD5 or in any Districts easements, Water Mains or connections, whether under contract or otherwise, and such user shall be bound by all Rules and Regulations of the Districts as altered or amended from time to time governing the administration and use of, and charges for irrigation water service from, the Districts' Irrigation Water System.

Service limitations and prohibitions under any law or which may be contained within any contractual agreement of the Districts with any other governmental body shall also constitute prohibitions and limitations upon any user of the facilities of the Non-Potable Water System, except as may be provided by special permit.

3.4 Ownership of Facilities

All existing and future Main Lines and treatment works connected with and forming an integral part of the Non-Potable Water System shall be owned by MD5 upon completion, dedication and acceptance by MD5 and upon any future transfer from Owner or other entity to MD5 shall become and remain the property of MD5, unless any contract provides otherwise. Said ownership will remain valid whether the Main Lines and treatment works are constructed, financed, paid for, or otherwise acquired by the Districts, or by other persons.

3.4.1 Ownership of Irrigation Water Facilities. For irrigation water, MD5 shall maintain the water service line, up to and including the curb stop valve or the lot owner's property line, whichever is closer to the Water Main. The lot owner is responsible for the maintenance of the remaining portion of the service line serving his property.

3.5 Right of Entry, Inspection and Maintenance Powers and Authority of Districts Agents

Authorized employees of the Districts, the Manager, MD5 or other personnel authorized by the Manager, bearing proper credentials and identification (collectively, "Authorized Personnel"), shall be permitted by the customer/owner to enter upon all properties at reasonable times for the purpose of installation, replacement, repair, maintenance, inspection, observation, measurement, sampling, and testing of any water meter, meter pit if one exists, curb stop valve and/or box, radio frequency device if one exists, sump pump, water service lines and Districts' easements in accordance with the provisions of these Rules and Regulations. The granting of right of entry by the customer/owner is a condition precedent and a condition subsequent to the provision of water service by MD5. Refusal to permit such access to Authorized Personnel in the performance of

their duties may result in immediate termination of water service to the premises, and/or may cause additional charges to the customer at the discretion of MD5. Failure to permit such inspection, observation, measurement, sampling and/or testing upon the written request of the Authorized Personnel may result in a presumption that permission is being denied to avoid discovery of a violation that would result in the disconnection of service to the property by the party failing to permit such activity.

3.6 Modification, Waiver and Suspension of Rules

The MD5 Board of Directors or the Manager, acting on instructions of the MD5 Board of Directors, shall have the sole authority to waive, suspend, or modify these Rules and Regulations, and any such waiver, suspension or modification must be in writing, signed by the Board of Directors or the Manager. Such waiver shall not be deemed an amendment of the Rules and Regulations. No waiver will be deemed a continuing waiver.

ARTICLE IV
USE OF IRRIGATION WATER SYSTEMS

Irrigation water services will be furnished to property included within the Districts subject to the Rules and Regulations and subject to fees, rates, charges and tolls as provided herein and as imposed by the Districts. It is currently contemplated that irrigation water under this Article IV is being provided by MD5 for the sole use of irrigating landscaping of all irrigable areas within the Property.

4.1 Unauthorized Tampering with Irrigation Water System

4.1.1 Unauthorized Use. No unauthorized person shall uncover, use, alter, disturb, or make any connection with, or opening onto, use, alter, or disturb the Irrigation Water System without first obtaining a written approval from MD5. Unauthorized uses of, or tampering with, the Irrigation Water System includes, but is not limited to, a change in the customer's/owner's equipment, service or use of property, an unauthorized turn-on or turn-off of irrigation water service, burying valve boxes, or modifying any irrigation water meter.

4.1.2 Malicious Damage to Irrigation Water System. No person shall maliciously, willfully, or negligently, break, damage, destroy, cover, uncover, deface or tamper with any portion of the Irrigation Water System.

4.1.3 Violators Prosecuted. Any person who shall violate the provisions of this Article IV shall be prosecuted to the full extent of Colorado law.

4.1.4 Violators Fined. Any person violating any of the provisions of these Rules and Regulations may become liable to the Districts for payment of a $1,000.00 fine or fines as otherwise established at the discretion of the MD5, plus any expense, loss or damage occasioned by reason of such violation following notice and an opportunity for a hearing. Such costs shall constitute assessments of fees, tolls, charges and other impositions permitted under the Special District Act, Sections 32-1-101, and 32-1-1001 C.R.S., and shall have the lien priority described in that statute.

4.2 Use of Irrigation Water System

4.2.1 Notice of Changes and Repairs of Leaks. The customer/owner shall notify MD5 prior to any expansion or addition to the service or use of the property served by the Irrigation Water System and upon any change of ownership of said property. Each customer shall be responsible for all costs associated with the construction and maintenance of the length of the service line to the curb stop or property line, whichever is closer to the Main Line. Service lines shall be constructed in accordance with specific instructions to be obtained from the MD5 prior to commencing construction.

Leaks or breaks in the service line shall be repaired by the customer within seventy-two (72) hours of obtaining knowledge of a leak or from the time of notification of such condition by MD5. If satisfactory progress toward repairing said leak has not been completed within the same time period, the Manager shall shut off the service until the leaks or breaks have been repaired; in addition, MD5 shall have the right to effect the repair, and the costs therefore shall constitute a lien on and against the property of such customer as security for payment of such costs, as provided for by Section 38-33.3-316, C.R.S.

4.3 Watering Schedule, Non-Potable Water System – Restrictions of Use

If conditions of supply so limit the water supply of the Irrigation Water System that unrestricted water use may endanger the adequacy of that supply, the MD5 Board of Directors, exercising its discretion in the protection of the health, safety, and welfare of residents, may adopt emergency water use restrictions and such additional regulations and restrictions as are reasonably calculated under all conditions to conserve and protect that supply and to ensure a regular flow of water through the system. Emergency water use regulations and restrictions shall remain in force and effect until the MD5 Board of Directors determines that the conditions requiring their imposition no longer exist. A day constitutes a 24-hour day from 12:00 am to 11:59 pm.

4.3.1 General Use Restrictions. Irrigation sprinklers shall only be operated between the hours of 7 pm and 9 am. Drip irrigation systems may be operated between the hours of 6 pm and 11 am.

4.3.2 Alternating Water Days.

Even Numbered Single Family Addresses: Watering permitted three (3) days per week on Tuesdays, Thursdays and Saturdays only, during the periods set forth above.

Odd Numbered Single-Family Addresses: Watering permitted three (3) days per week on Wednesdays, Fridays and Sundays only, during the periods set forth above.

* This schedule will not be enforced until two (2) weeks after the installation of the initial sod on any new construction but may be enforced anytime thereafter.

4.3.3. Watering Duration Restrictions. Irrigation sprinklers shall only be operated for twenty (20) minutes at a time/zone. Longer durations are not necessary and excessive use violations will be enforced and fines implemented as necessary. When seeding or planting new grass, sod or landscaping, a waiver may be requested but must be approved prior to implementation.

4.4 Drought Restrictions.

During periods of drought or shortage, the board of directors for the Districts may reduce delivery of non-potable irrigation water from 3 days per week. The Districts shall work cooperatively with the Town on adopting appropriate drought restrictions and further limitations of days property owners may water their lots and yards. The intent of the Districts is to promote water conservation and prohibit excessive irrigation

The Districts may adopt appropriate water conservation and drought restrictions and guidelines for property within the District or receiving service to the District in the case of a drought and shall update and advise the Town of any restrictions in an effort to disclose information and coordinate any drought mitigation or water conservation efforts.

ARTICLE V
RATES AND CHARGES

5.1 General

The information contained in this Article is pertinent to all charges of whatever nature to be levied for the provision of irrigation water service. Said rates and charges as herein established are in existence and effect at this time and shall remain in effect until modified by the Board under the provisions of these Rules and Regulations, and under the applicable statutes of the State of Colorado. Nothing contained herein shall limit MD5 from modifying rates and charges, or from modifying any classification except as expressly set forth herein.

5.2 Application of this Article

The rates, charges, and other information shown herein shall apply to customers inside the Property and shall in no way obligate MD5 with respect to services provided outside the boundaries of the Districts.

5.3 Classification of Customers

For the purpose of levying fair, reasonable, uniform, and equitable charges, the following classifications and related definitions are provided:

5.3.1 Single-Family Residential Unit. Includes single-family units under the definition of single-family residential unit.

5.3.2 Multi-Family Residential Unit. Includes multi-family, apartments and/or condominium units under the definition of multi-family residential unit.

5.3.3 Commercial Service. All non-residential uses which are not included under Sections 5.3.1 or 5.3.2. With regard to commercial users, irrigation water cannot be used for processing, treatment or any other use beyond landscape irrigation. Any modification to this restriction is subject to the express written approval of MD5.

5.4 Service Charge

Service charges shall be as reflected in the Schedule of Fees and Charges, attached hereto as Appendix A. Service charges will be charged and billed on an annual basis, prior to the irrigation season. Additional charges for additional water quantity may be billed monthly as use occurs. The service charge will be prorated for the first year at the time of closing. Thereafter, the bills will be sent out before the end of the first quarter of each fiscal year.

5.5 Payment of Service Charges

The customer shall pay to MD5 within ten (10) days after the billing date the full amount of that statement.

5.6 Penalty for Late Payment

At any time the customer is fifteen (15) days tardy in payment of any charges due MD5, MD5 shall assess an interest charge at the rate of one percent (1%) per month on the unpaid balance. MD5 shall further have the right, in its sole discretion, to terminate service to any customer who becomes thirty (30) days or more tardy in payment for scheduled services, following notice and an opportunity for a hearing as outlined herein.

MD5 shall assess to any customer who is tardy in payment of his account, all legal, court, disconnection, and other costs necessary to or incidental to the collection of said account.

Until paid, all such fees, rates, penalties, or charges shall constitute a perpetual lien on and against the property served, and any such lien may be foreclosed in the same manner as provided by the laws of this state for the foreclosure of mechanics' liens.

5.7 Foreclosure Proceedings/Attorney's Fees

At any time it becomes necessary after other efforts (letters, posted notices) to collect delinquent payments of any fee or charge imposed by MD5 under these Rules and Regulations and/or Colorado law are unsuccessful, MD5 may then initiate foreclosure proceedings as provided for by Section 38-33.3-316(11), C.R.S. All of the provisions of these Rules and Regulations to the contrary notwithstanding, all customers/users of the Districts' Non-Potable Water System hereby agree to be bound by these Rules and Regulations as a matter of contract and for which there is good and valuable consideration. Further, in the event MD5 shall commence a foreclosure action or proceeding to collect any payments of whatsoever nature due and payable to MD5, then in said event the party being foreclosed upon agrees hereby to the payment of any and all costs incurred in connection with said foreclosure proceedings including, but not limited to, reasonable attorney's fees which the court shall tax as a part of the costs of such foreclosure proceedings. In the event payment is made by the customer prior to the foreclosure sale, said attorney's fees and any and all other fees outstanding against the subject account and relating to the subject real property, must also be paid as a pre-condition to the resumption of service to the subject property.

ARTICLE VI
MISCELLANEOUS PROVISIONS

6.1 Claims Against MD5.

In the event any person claims to have suffered an injury of any kind by MD5 or by a director or employee thereof related to the provision of irrigation water services, such person shall, within one hundred eighty (180) days after the discovery of such injury, advise the Manager by written notice of intent to make a claim. In the notice, such person shall accurately describe the date, time, location and circumstance of the event complained of; the name and address of the person or persons entitled to relief; name of any individuals involved; a statement of the nature and extent of the injury claimed to have been suffered; the amount of monetary damages suffered and the relief requested.

6.2. Construction of Rules and Regulations.

6.2.1 Interpretation. Any dispute over interpretation of the Rules and Regulations, or concerning their application in any particular case, shall be submitted to the Board, and their decision shall be final and conclusive.

6.2.2 Headings. The headings which appear in the Rules and Regulations are for the purpose of identification and do not constitute any part of the Rules and Regulations.

6.2.3 Severability. If any provisions of the Rules and Regulations are held invalid for any reason by a court of competent jurisdiction as part of a judgment, judicial decree, court order or otherwise, such adjudication shall not affect in any manner or particular any of the provisions contained in the Rules and Regulations, and the remaining Rules and Regulations shall remain in full force and effect.

6.2.4 Limitation. The Rules and Regulations are implemented by the Board in furtherance of certain rights and powers conferred by statute. The Rules and Regulations are not to be construed as a limitation upon any general or specific powers of the Board, or as an expression by the Board of only certain limited powers which it intends to use.

6.3 Supplement to Law.

The provisions of these Rules and Regulations shall be in addition to and in supplement of the terms and provisions of the Declaration and the laws of the State of Colorado. To the extent there is a conflict between these Rules and Regulations and the Declaration, the Declaration shall control except that it is the Owner's and the Districts' intention that the documents be read together and harmonized to the extent possible for the effective and efficient operation of the Non-Potable Water System and for the benefit of owners and customers. Amendments to these Rules and Regulations are incorporated into the Declaration by reference.

APPENDIX A

IRRIGATION WATER SERVICE LINE CONSTRUCTION, RATES AND CHARGES SCHEDULE

Rules and Regulations

The applicant, contractor, and property owner are responsible for knowledge of all provisions of the Water Rules and Regulations. The items below are restated for emphasis:

Water Service Lines Owner's Responsibility

MD5 is the operating district responsible for the maintenance of the water service line, up to and including the curb stop valve or the owner's property line, whichever is closer to the main line. The customer is responsible for the maintenance of the remaining portion of the service line serving the property.

Irrigation System

After completion of the construction and acceptance by the owner, it shall be the owner's responsibility to protect the irrigation system from freezing, damage due to high water pressure (i.e. PRV), and other physical damage.

IRRIGATION WATER RATES AND CHARGES SCHEDULE

Irrigation Water System and Reservoir/Water Fee: Monthly fee of $45 per Single Family Equivalent Dwelling Unit (to be billed semi-annually) for the costs and expenses related to the provision of non-potable water, maintenance, well maintenance and MD5 irrigation service by the Districts. This amount shall be billed and collected by the MD5, with the initial prorated payment to be collected at closing of a home.

The rates imposed by MD5 for the Non-Potable Water System shall be evaluated by MD5 annually as part of MD5's budgeting process, and may be amended as evidenced by amendment of this rate and Appendix A to the Rules and Regulations.

Rates may be increased or decreased at the sole and absolute discretion of MD5, provided that consistent rates and provision of service to the service area of the Districts and its customers is maintained.

Base Rate: $45.00 per month (billed $270 in January and $270 in July) per single family residential lot for the irrigation season. The irrigation season is **APPROXIMATELY mid May of each year through mid** October.The irrigation season may be changed in the sole and absolute discretion of MD5.

If any individual lot exceeds the generally accepted, normal usage based on similar property within the District, a fee may be assessed by MD5 to cover the additional use. The fee for the additional water will include administrative costs associated with the fee. The fee shall be in addition to all other fees and fines.